

# HOUSE BILL No. 1460

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-4.1.

**Synopsis:** Inheritance tax phase out. Phases out the inheritance tax by giving an increasing credit against the inheritance tax due. Provides that the inheritance tax does not apply to the transfer of property interests from a person who dies after June 30, 2009. Makes technical corrections.

**Effective:** July 1, 2005.

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**Woodruff**

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January 18, 2005, read first time and referred to Committee on Ways and Means.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1460

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-4.1-1-0.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest**  
4 **transferred from the estate of an individual who dies after June 30,**  
5 **2009.**

6 SECTION 2. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA CODE  
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest**  
9 **transferred from the estate of an individual who dies after June 30,**  
10 **2009.**

11 SECTION 3. IC 6-4.1-2-1 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) An inheritance  
13 tax is imposed at the time of a decedent's death on certain property  
14 interest transfers made by ~~him~~: **the decedent**. The transfer of a property  
15 interest is subject to the tax if:

16 (1) the property transferred is described in:  
17 ~~(1)~~ **(A)** section 2 of this chapter, if the property is transferred



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by a resident decedent; or

(ii) (B) section 3 of this chapter, if the property is transferred by a nonresident decedent;

(2) the transfer is described in section 4 of this chapter; and

(3) neither the transfer nor the property is exempt from the inheritance tax under IC 6-4.1-3.

(b) For purposes of this article, a transfer described in section 4 of this chapter is considered a transfer made by the deceased transferor regardless of when the transferee acquires the property interest.

SECTION 4. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 5. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.2. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 6. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 7. IC 6-4.1-5-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.1. (a) For purposes of determining the amount of inheritance tax imposed under this article, a credit is allowed against the tax imposed under section 1 of this chapter on a decedent's transfer of property interests. The amount of the credit equals the inheritance tax imposed under section 1 of this chapter multiplied by the percentage prescribed in the following table:**

DATE OF INDIVIDUAL'S DEATH	PERCENTAGE OF CREDIT
After June 30, 2005, and before July 1, 2006 .....	20%
After June 30, 2006, and before July 1, 2007 .....	40%
After June 30, 2007, and before July 1, 2008 .....	60%
After June 30, 2008, and before July 1, 2009 .....	80%

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(b) A person who is liable for inheritance tax imposed under this article may claim the credit allowed under this section at the time the person pays the tax. When the payment is made, the person collecting the tax shall reduce the inheritance tax due by the appropriate percentage specified in subsection (a).

SECTION 8. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 9. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 10. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 11. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

SECTION 12. IC 6-4.1-12-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. (a) For an individual who dies after June 30, 2009, there is no inheritance tax imposed on the decedent's transfer of property interests.**

**(b) Sections 1 through 12 of this chapter do not apply to a property interest transferred from the estate of an individual who dies after June 30, 2009.**

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